

FCC had gone beyond his initial attempt to shift blame in the wake of learning of the Norfolk bid error, or involved more than choosing among and discarding drafts of bid sheets in the process of getting to a final bid. At no time did Ms. Hamilton inform me that she had possession of or access to documents or other evidence regarding the Norfolk bid or its aftermath. After listening to Ms. Hamilton's concerns regarding the bid error and the ensuing events of January 23, 1996, and her concerns that Mr. Easton might attempt to blame her for the error, I assured Ms. Hamilton that I knew her work for SMG had always been professional and competent, and that I would be willing to provide her with letters of reference for future employment. We then discussed personal matters for a few minutes until Ms. Hamilton indicated she needed to get to her bank before it closed, and we parted. I then returned to the Executive Committee meeting.

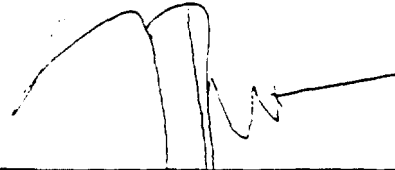
10. My meeting with Ms. Hamilton took place after the bidding error had been examined by PCS 2000 and its counsel for three days, and after the waiver request had been filed with the FCC. I knew Ms. Hamilton had not been in SMG's offices since the close of business on January 23 and, therefore, could not be aware of the facts uncovered, the determinations made, or the documents filed with the FCC, after that date. In addition, because of the relatively general nature of Ms. Hamilton's statements to me, I understood her statements to relate to events or actions other than the specific ones she thought she was bringing to my attention. Therefore, my interpretation of what Ms. Hamilton was relating to me was influenced both by my perception as to the currency of her knowledge relative to my own, and by my good faith belief that PCS 2000's waiver request had repudiated any prior imputation of blame to the FCC and had addressed, and acknowledged responsibility for, the bidding error. For example, at the time Ms. Hamilton told me Mr. Easton had lied to the FCC after learning of the Norfolk bid, I thought she was referring to Mr. Easton's initial telephonic claim of FCC error, which I believed had since been repudiated by PCS 2000's waiver request. In addition, I perceived no material inconsistencies between what Ms. Hamilton told me on January 26, 1996, and the representations in the waiver request PCS 2000 had filed with the FCC earlier that day. In sum, nothing I then perceived Ms. Hamilton to be saying implicated PCS 2000 or Mr. Easton in any activity that had not been appropriately addressed by PCS 2000's already filed waiver request.

11. I want to make clear that I did not consciously attempt to avoid receiving any information Ms. Hamilton may have had with regard to the Norfolk bid or its aftermath. I initiated the January 26, 1996 meeting between Ms. Hamilton and me, and did so after Ms. Milstein had alerted me that Ms. Hamilton had strong negative beliefs regarding both the responsibility for the Norfolk bid and Mr. Easton's actions in the wake of that bid. By

accommodating Ms. Hamilton's request to move to the privacy of my office, I provided a setting conducive to full disclosure of sensitive information. I did not put any time limit on Ms. Hamilton's presentation of her concerns; the only limitation on the length of our meeting was her own schedule. I can recall nothing I said or did which should have caused Ms. Hamilton to be concerned that I was anything but receptive to her disclosures and accusations. Although Ms. Hamilton indicated she was concerned that Mr. Easton might retaliate against her, I did not perceive that her concerns extended to me. In any event, I tried to assuage those concerns by assuring Ms. Hamilton that her forthrightness with regard to the Norfolk bid and Mr. Easton's actions would have no negative impact on our future relations, including any employer reference I might be asked to provide with regard to her. In short, I tried to indicate that I was receptive to any disclosure Ms. Hamilton wished to make with regard to any matters involving the Norfolk bid, SMG or PCS 2000.

12. After Ms. Hamilton provided PCS 2000 with copies of her declaration to the FCC and the documents she had maintained, and after I reviewed the subsequent report of independent counsel, it became apparent to me that there had been a significant gap between what Ms. Hamilton thought she was conveying to me during our January 26, 1996 meeting and what I had then perceived her to be telling me.

IN WITNESS of the foregoing I hereby set my hand and seal this 28th day of May, 1997.

A handwritten signature in black ink, appearing to read "Quentin L. Breen", written over a horizontal line.

Quentin L. Breen

# DECLARATION

I, Cynthia L. Hamilton, under penalty of perjury, hereby declare and state as follows:

1. On January 23, 1996, I was an employee of San Mateo Group, Inc. ("SMG") at its offices in San Mateo, California, where I assisted in the preparation and submission of the bids of PCS 2000, L.P. ("PCS 2000") for the Broadband PCS C Block Auction conducted by the Federal Communications Commission ("FCC"). My supervisors with regard to auction bidding activities usually were Anthony T. "Terry" Easton and Quentin L. Breen. On January 23, 1996, however, Mr. Breen was absent from SMG's office.

2. I resigned from my position with SMG by facsimile message of January 24, 1996.

3. On January 26, 1996, I went to SMG's offices to pick-up my final SMG paycheck. When I arrived at those offices, a meeting was taking place in the glass-walled conference room adjoining the reception area. Among those in the meeting were Javier Lamoso, Mr. Breen and Mr. Easton. Mr. Breen left the meeting, approached me, inquired as to whether I was alright, and expressed his regrets that I had resigned. I told him that there was something I needed to discuss with him, and suggested we go into his office. My meeting with Mr. Breen was brief, we discussed several topics, and less than half of it was devoted to a discussion of the events of January 23, 1996.

4. Although I had not anticipated meeting with Mr. Breen and, therefore, had not prepared any comments, I attempted to alert him as to my observations and beliefs regarding Mr. Easton's actions and statements during and after PCS 2000's Round 1 bidding activities on January 23, 1996. However, I was circumspect in speaking with Mr. Breen because I was concerned that Mr. Easton might retaliate against me if he became aware that I had informed anyone as to my perceptions of his activities on January 23, 1996. I also was concerned because, as of the time I was meeting with Mr. Breen, I had not received my final paycheck from SMG, much less been able to cash it.

5. Although I generally described my observations and beliefs regarding Mr. Easton's January 23, 1996 activities to Mr. Breen, I gave him no indication that I had been able to rescue documents supporting those observations and beliefs. I did not inform Mr. Breen as to where documentary evidence might be found, much less inform him that I had any documentary evidence in my possession. In fact, I did not even give Mr. Breen an indication that any documentary evidence still existed. I certainly did not indicate to Mr. Breen that I knew of, or was in possession of, any materials I considered appropriate for delivery to the FCC, much less that I had delivered copies of such materials to the FCC.

6. Because of the late afternoon hour and the need to deposit my final SMG paycheck before my bank closed for the weekend, I did not seek to extend my meeting with Mr. Breen.

7. When I subsequently received a copy of PCS 2000's "Request for Expedited Waiver or Reduction of Withdrawal Penalty" ("Waiver Request") from the FCC staff and reviewed it, I erroneously assumed that the Waiver Request had been prepared and filed with the FCC after my meeting with Mr. Breen, not before. The concerns I expressed to the FCC staff about the Waiver Request were based on that erroneous assumption, and the FCC staff did not alert me as to the correct sequence of events. Further, I was not aware of the correct sequence of events or its significance at the time I called Mr. Lamoso to make him aware of my observations and beliefs regarding the January 23, 1996 bidding error and its aftermath, and to inform him that I had provided the FCC with both my declaration of January 24, 1996 and the documents I had rescued from the offices of SMG. In addition, I still was not aware of the Waiver Request-meeting sequence or its significance at the times I was interviewed in connection with the preparation of the report of Young, Vogl, Harlick, Wilson & Simpson, LLP ("Independent Counsel"). Had I been aware that the Waiver Request had been prepared and filed before my meeting with Mr. Breen, my concerns regarding Mr. Breen's reaction to our meeting would have been substantially different than they were through the time of the interviews conducted by the Independent Counsel.

8. I am making this Declaration with the expectation that it will be submitted to the FCC and become a part of the record in any proceeding(s) involving Mr. Breen, PCS 2000, SMG, Romulus Telecommunications, Westel, L.P., Mr. Easton, or any of them.

IN WITNESS WHEREOF, I hereby affix my signature to this Declaration this 24<sup>th</sup> day of May, 1997.

  
Cynthia L. Hamilton